

TOYOTA

James E. Finkel III
Corporate Manager Vehicle Logistics

October 12, 2005

Honorable Roger Nober, Chairman
Surface Transportation Board
Mercury Building 1925 K Street, NW
Washington, DC 20423-0001

Re: Ex Parte 658
25th Anniversary Staggers Act of 1980

My name is Jim Finkel, Corporate Manager Vehicle Logistics Administration and Planning for Toyota Logistics Services, Inc. We appreciate the opportunity to provide a statement to the Surface Transportation Board at its hearing to mark the 25 year anniversary of the Staggers Rail Act of 1980.

Toyota Logistics Services ships nearly one and one half million vehicles by rail annually so it is critical for our business that we have a rail network in place that can meet our transportation needs.

It is with this very interest in mind that Congress passed the Staggers Rail Act of 1980, with the strong support of many segments of the economy, including the automobile business. Prior to the Staggers Act, the rail industry was in complete financial disrepair, unable to serve its customers adequately. The focus of the Staggers Act was to reform the regulatory framework to allow the industry to respond to the needs of the marketplace and become more customer-focused and to streamline its operation and become financially stronger.

The Staggers Act has had the positive results that were envisioned. For us, the benefits have been clear. Because of significant infrastructure investments, we have been able to move additional vehicles by rail and to more destinations.

Our interest going forward is that the rail industry can continue to provide the kind of service that we need. This is of particular concern because we are in a period of constrained capacity. We are seeing unprecedented growth that is putting unparalleled stress on the system. Toyota's market share continues to increase and we must be sure that the rail industry is able to respond to our current and future growth levels.

A SUBSIDIARY OF TOYOTA MOTOR SALES, U.S.A., INC.

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Honorable Roger Nober

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In order for Toyota's continued growth, the use of rail to support our sales objectives is crucial. For that to happen, we need to make sure that the railroads have the capital to invest in its equipment and infrastructure. There already exists a shortage of multi-levels for Toyota use. The railroad industry needs to continue to have the ability to address Toyota's concerns as well as its other customers.

Rail is the most efficient and cost effective way for us to ship longer distance. In this period of continuing growth and constrained capacity we want an industry that has the capital available to enhance its infrastructure to serve our needs throughout the country.

Sincerely,

A handwritten signature in black ink, appearing to read "James L. Ford". The signature is fluid and cursive, with a long horizontal stroke extending to the right.